

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

U.S. DISTRICT COURT
EASTERN DISTRICT-WI
FILED

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No. 19-CR-

JOHN M. SOLBERG,

[18 U.S.C. §§ 1341, 1343 & 1349]

Defendant.

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STEPHEN C. DRIES
19-CR-213

INDICTMENT

COUNT ONE

(Conspiracy to Commit Mail, Wire, & Bank Fraud)

THE GRAND JURY CHARGES THAT:

1. Beginning by October 2015, and continuing through at least June 2016, in the State and Eastern District of Wisconsin and elsewhere,

JOHN M. SOLBERG

knowingly conspired with persons and business entities known and unknown to the grand jury to defraud automobile sellers, automobile buyers, financial institutions, and others through the use of the United States mail, by means of interstate wire communications, and by concealing material facts from federally insured financial institutions, in violation of Title 18, United States Code, Sections 1341, 1343, and 1344.

2. At all times material to this indictment:

(a) John M. Solberg operated, directed, and supervised automobile dealerships in the Eastern District of Wisconsin under the names "Backwoods Bargains," "Standard Pre-Owned," "Suamico Investment Group," and "Bella Investments, LLC" ("the

dealerships”).

(b) Because Solberg had been disqualified from holding an automobile dealership license, he caused a third party, S.V., to obtain a license and listed S.V. as the “owner” of the above-named dealerships when, in reality, she had no actual ownership interest in or supervisory authority over the dealerships.

(c) Craigslist was an internet-based website headquartered in San Francisco, California, which allowed users to advertise items for sale, including automobiles.

(d) Craigslist’s data servers were located in California and Arizona, and individuals using Craigslist to buy, sell, view, or communicate regarding listed items caused wire transmissions to, from, and through these servers.

Purpose, Manner & Means of the Conspiracy

3. The purpose of the conspiracy was to carry out a scheme to defraud and obtain vehicles and money from automobile owners and purchasers using materially false and fraudulent pretenses, representations, and concealments, essentially as follows:

(a) Solberg and others working at his direction sought out individuals advertising their automobiles for sale on Craigslist (“sellers”) and convinced them to turn over their automobiles to be sold on consignment by Solberg’s dealerships. These interactions involved interstate wire communications between Wisconsin and servers located in Arizona and California.

(b) Solberg and others working at his direction sent the sellers “consignment agreements” through electronic mail and via the U.S. Postal Service detailing the terms under which their vehicles could be sold.

(c) Sellers retained the titles to their vehicles during the consignment period,

and Solberg and others working at his direction falsely represented to the sellers that their automobiles would not be sold without their final approval and that titles would only be transferred after the sellers received payment for the consigned vehicle.

(d) Contrary to the above representations, Solberg and others working at his direction sold the consigned vehicles without approval and concealed the sales from the vehicle owners.

(e) To further the scheme, Solberg and others working at his direction prepared counterfeit vehicle titles and falsely represented to the purchasers of the consigned vehicles that they owned the vehicles free and clear of any liens.

(f) Based on the fraudulent titles prepared by Solberg and others working at his direction, federally insured financial institutions disbursed funds on behalf of purchasers without knowledge of any pre-existing liens.

(g) To conceal the scheme from the sellers and any existing lien holders, Solberg and others working at his direction made materially false statements about the location and status of the consigned vehicles.

(h) To further conceal the scheme and delay reporting of his conduct to law enforcement, when sellers learned that their vehicles had been sold without their knowledge and approval, Solberg provided promissory notes that he did not intend to honor and wrote checks to the sellers that he knew were worthless.

4. As a result of Solberg's scheme, sellers lost the proceeds of the sales of their vehicles, existing lien holders were deprived of the location of their secured assets, purchasers were left with vehicles with diminished value, and federally insured financial institutions disbursed funds without knowledge of existing liens.

5. As a result of the scheme, Solberg and his coconspirators wrongfully obtained in excess of \$250,000.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO – FOURTEEN

(Wire Fraud)

THE GRAND JURY FURTHER CHARGES:

6. On or about the below-listed dates, having devised the scheme described in paragraphs 3 through 5 of this indictment, and for the purpose of executing the scheme, and attempting to do so,

JOHN M. SOLBERG

knowingly caused to be transmitted by means of wire communications in interstate commerce, certain writings, signs, signals, pictures, and sounds, namely communications originating from the Eastern District of Wisconsin through Craigslist servers in Arizona and California, related to the advertisement, consignment, and sale of the specified vehicles:

<u>Count</u>	<u>Date</u>	<u>Seller</u>	<u>Vehicle</u>	<u>Consignment Price</u>
Two	November 2015	P.N.	2008 Toyota Scion	\$6,300
Three	January 2016	B.R.	2007 Volkswagen Passat	\$5,500
Four	January 2016	D.C.	2007 Ford Edge	\$3,400
Five	January 2016	M.F.	2008 Toyota Corolla	\$4,500
Six	February 2016	J.Z.	2002 Dodge Ram	\$5,600
Seven	February 2016	A.Z.	2011 Dodge Journey	\$11,000
Eight	February 2016	C.N.	2008 Mercedes Benz C300	\$14,300
Nine	February 2016	E.K.	2000 Chevrolet K3500	\$8,650
Ten	March 2016	E.M.	2015 Subaru Forester	\$25,200
Eleven	March 2016	D.B.	2003 Chevrolet Silverado 1500	\$8,475
Twelve	March 2016	S.M.	2011 Chrysler Mode 200	\$9,000

Thirteen	March 2016	J.N.	2000 Ford F-650	\$20,500
Fourteen	April 2016	E.B.	2008 Chevrolet Silverado ZTZ	\$19,500

Each in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT FIFTEEN
(Mail Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

7. On or about April 21, 2016, in the State and Eastern District of Wisconsin, having devised the scheme described in paragraphs 3 through 5 of this indictment, and for the purpose of executing the scheme, and attempting to do so,

JOHN M. SOLBERG,

knowingly caused to be delivered by United States mail a promissory note in the amount of \$28,000 to S.R. and A.R.

In violation of Title 18, United States Code, Sections 1341 and 2.

FORFEITURE NOTICE

8. Upon conviction of one or more of the federal fraud offenses alleged in Counts One through Fifteen of this Indictment, the defendant shall forfeit to the United States, pursuant to 28 U.S.C. § 2461(c), 18 U.S.C. §§ 981(a)(1)(C), and 21 U.S.C. § 853, all property, real and personal, that constitutes or is derived, directly or indirectly, from proceeds traceable to the commission of the offenses, including, but not limited to, the following:

A sum of money representing the amount of proceeds the defendant obtained as a result of his wire, mail, or financial institution fraud scheme.

9. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property, which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

A TRUE BILL:


FOREPERSON

Dated: 11-26-19


MATTHEW D. KRUEGER
United States Attorney